

DEPARTMENT OF TRANSPORTATION

DIVISION OF LOCAL ASSISTANCE
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*Making Conservation
a California Way of Life.*

November 30, 2020

To: Regional Transportation Partners

Dear Executive Directors:

This correspondence serves as the official notification to the Regions of the “Use It or Lose It” provisions contained in Assembly Bill (AB) 1012, enacted in October of 1999. This notification marks the 22nd year that Regions have been required to comply with the “Use It or Lose It” provisions of AB 1012. Under these provisions, Regions are required to obligate federal funds within three years of receiving apportionments. At this time, approximately \$16 million is subject to reprogramming on November 1, 2021 for Cycle 22. This will cover Federal Fiscal Year (FFY) 2018–19 under AB 1012. The balance consists of about \$165 thousand for Congestion Mitigation and Air Quality Improvement Program (CMAQ) apportionments and approximately \$15.4 million for Regional Surface Transportation Program (RSTP) apportionments.

AB 1012 was enacted with a goal of improving the delivery of transportation projects and addressing the backlog of the Regions’ federal apportionments and obligation authority (OA). AB 1012 states that CMAQ and RSTP funds that are not obligated within the first three years of federal eligibility are subject to reprogramming by the California Transportation Commission (CTC) in the fourth year in order to prevent the funds from being lost by the state.

AB 1012 also requires Regions to submit a plan to the California Department of Transportation (Caltrans) to obligate apportionment balances that are older than two years and to ensure that none of the balances reach three years of age. Obligation plans should be submitted in electronic form to Caltrans’ District Local Assistance Engineers no later than **April 1, 2021**. The template and instructions are available on the Local Assistance website at:

<https://dot.ca.gov/programs/local-assistance/projects/ab1012>

We ask that no changes, alterations or modifications be made to the template.

The obligation plans should include all federally funded projects that will be obligated between April 1, 2021 and the end of FFY 2020–21 (September 30, 2021). The obligation plans will also be used to review, prioritize, track projects, assist Regions with project delivery, and determine OA needs for the remainder of the FFY. According to FHWA Notice 4520.267 dated October 9, 2020, the Federal Highway Administration has released a portion of the annual OA for FFY 2021. Congress has authorized a Continuing Resolution for 72 days through December 11, 2020. Currently, the Division of Local Assistance has received approximately \$251 million of OA in formula funds for Regions to use.

If you have any questions about the notification or the reports, please contact Peggy Siu at (916) 651-6875.

Sincerely,



DEE LAM
Chief
Division of Local Assistance

c: District Deputy Directors for Planning and Local Assistance, Caltrans
District Local Assistance Engineers, Caltrans
Office Chiefs, Division of Local Assistance, Caltrans
Fardad Falakfarsa, Division of Budgets, Caltrans